Previous references.

1892-3

~~1890~~

(Banking)

Insurance

2 of 1892

File No. ~~65 of 1893-4~~

Serial Nos. 1—4

Later references.

2 of 1892

Banking. ~~65 of 1893-4~~.

Sl. 5—7. B

7. July 12 - 88 102 Bank 41-11

B May 13 el 1-2 do 40-12.

B 46-12 Sl 1-2 B Dec 13.

Fin 73-13 - 88 571 '77 88 498

97 205-27

GENERAL AND REVENUE SECRETARIAT.

G.7. 268-27

(124)

Serial Nos. 1—4

Communicated

Kun.

Noted

Part B. for

SUBJECT.

Account of the State Life Insurance Fund to be separately maintained as of Savings' Bank Account.

Table of Contents.

L.I. No. 760 dy. 29-3-93. From the Secy., Insurance Comm.tee.
Requesting special orders for allowing interest at Savings'
133 rate on the balance of the Insurance fund exceeding 5000, Rs.

2. No. 20306 / R. 2435 dy. 31-5-93. To the same
Stating that the Dewan considers it inexpedient to make an exception under the Savings' Bank Rules, that the S.L. Insurance Fund should stand on its own strength, and that the resolution of the Committee should be submitted.

3. No. 952. dy. 26-6-93. From the Secy., Insurance Committee.
Submitting the opinion of the members of the Committee as regards the investment of the Insurance Fund.

No. G. R. S. 58 / 3929-30 dy. 15-2-94. To the Compt.r. & the Secy. L.I. Com.tee
Giving out the view of Govt. in the matter, that the Compt.r. should maintain an Acct. of the fund separately in the same form & with same rate of interest as for Savings' Banks, calculating the monthly

CHIEF SECRETARY'S OFFICE.

REVENUE BRANCH.

OFFICE NOTE.

SUBJECT. Investment of Insurance Surplus Funds at Savings Banks rate of interest

LAST REFERENCE. Letter No. 952 dated 26th June 1893 from the Secy. Insurance Committee

Paper No. 1

In March 1893 the Secy. to the Insurance Committee solicited special orders of Government for allowing interest at Savings Bank rate of Rs 3 3/4 per cent on the full amount of the balance of the State Insurance Fund which then amounted to Rs 17606-9-1 and stated that under Savings Bank

Rules no interest could be allowed on sums exceeding 5000 and that the balance at the credit of the Fund maybe invested in Govt of India 4% securities when they can be had at favorable rates

P No 3

2 In reply he was informed that it would be inexpedient to make an exception under the Savings Bank Rules and that the State Insurance Fund should stand on its own strength. He was also requested to submit proceedings of the Committee bearing on the subject

3 The Insurance Secy now submits Proceedings containing the opinion of the Members

of the Committee bearing on the subject and states that under section 15 of the Insurance Rules Govt sanction is necessary to invest the Fund in the Govt. Savings Bank or in such other manner as they think fit He also invites special attention to the opinion of Mr. A Rangaswamiengar who originally worked out the scheme.

Subd [redacted]

28/7 N 28/7/93

For Messrs Orders

The Comptroller may accordingly be authorised to invest the Funds in the Madras Bank with the Govt Savings Bank & credit the Insurance account with the accruing interest

[illegible] 29/7

Order

The State Life Insurance Fund ~~is not a Savings Bank~~ is totally different from ~~the Savings Banks~~ other Funds in the charge of the Govt, because the liabilities of the State in respect of Insurance Policies issued by it ~~are not limited~~ by the amount for the time being at its credit ~~the Deposits of such Fund~~ does not limit. ~~It is undesirable~~ The Fund in question ~~is~~ in fact only Serves ~~I have by~~ I know to the Govt from time to time how much it has received & paid on account of the State Life Insurance System. There is therefore nothing gained by endeavouring the limit ~~of Savings Banks~~ for deposits ~~in favour of Depositors~~ in the ordinary Savings Banks, in favour of Depositors of ~~Savings~~ the State L. I. fund. The ~~Comptroller will be required~~ better plan will be

the balance at its credit allowing a fair rate of interest.

5

to open in the Hungerford Treasury
a Special Savings Bank depart-
ment designed ~~for the~~ exclusively
for receiving & paying moneys
on account of the State Life Assurance
Fund.

The balance of this Savings Bank
(to be called Hungerford Savings Bank) will
always be the same as the balance of
the So called State L. I. fund. It
~~shall also be audited by the~~
~~H. Savings Bank will bear to bank~~
~~at the agreed rate~~ for free for the
~~time being~~, The deposits will
in the General Cash balance of
the State, ~~& being deposits entitled on~~
~~demand entitled by the State in~~
~~any it Commissioners~~ by it Commissioners
for & the interest will appear as
Disbursements in the State Appro-
~~to the Credit of the H. Saving Fund~~
under Interest on Saving Bank Deposits
under Sub head "H. Savings Bank" —

The H. S. Bank
shall follow
the rules for
other Savings
Banks as regards rate
of Interest
and all
other matters

Both Comptroller &
Speaker to be kept
informed of this
arrangement

Read: —

Correspondence ending with letter no. 952, dated 27th June 1893 regarding the investment of the State Life Insurance Fund -

from the Secy to the Mysore State Life Insurance Committee

Order

The "State Life Insurance Fund" is totally different from other funds in the charge of the Government because the amount for the time being at its credit does not limit the liabilities of the

State in respect of
Insurance Policies
issued by it The
Fund in question in
fact only serves to
show to the Government
from time to time
how much it has
received and paid
on account of the State
Life Insurance System
and the balance to
its credit allowing
a fair rate of interest.
There is therefore nothing
gained by enhancing
the limit for deposits
in the ordinary Savings
Bank in favour of
deposits of the State

Life Insurance Fund.

The better plan will be ~~to open in the Hagen Treasury~~ a special Savings Bank account designed exclusively for receiving and paying monies on account of the State Life Assurance

The balance of this Savings Bank (to be called Hagen Savings Bank) will always be the same as the balance of the so-called State Life Insurance Fund.

9

The Hazen Savings Bank should follow the rules for Savings Banks as regards rate and calculation of interest and all other matters. The deposits will merge in the general cash balance of the State and the interest will appear as disbursements in the State account under Interest on Savings Bank deposits under sub-head Hazen Savings Bank

with interest thereon at a fair rate ~~of interest~~ though no interest has been ~~paid~~ [illegible] investments ~~and~~ ~~all payments made on account~~ ~~of Private~~ This system is not for all purposes [illegible] Treasuries [illegible]

[illegible] are [illegible] of [illegible] Effect may be given [illegible] from the Commencement of [illegible] operations —

13th [illegible]

Chief Secy.

To

1 Fair clear draft
2 Arrange & read the papers Letts 14/2
Send 1 & 2 attended to
14/2

11040
R. 2733

OFFICE OF THE SECRETARY TO THE
MYSORE STATE LIFE INSURANCE COMMITTEE.

No. 760

Bangalore, 29th/30th March 1893

From

Serial No.

The Secretary to the Mysore,
State Life Insurance Committee,
Bangalore.

To

The Chief Secretary to the
Government of Mysore

Sir

I have the honor to request that you will be so good as to obtain Special orders of Government for allowing interest at Savings Bank rate of Rupees 3 3/4 per cent on the full amount of balance of the State Insurance Fund which amounted to Rs: 17,606-9-1 on the 1st March 1893. As under the Savings Bank Rules, interest

4

is allowable only on the maximum deposit of Rupees 5000/; special sanction is needed for charging interest on the balance exceeding that sum and it is therefore applied for.

The balance at credit may, if the Government deem fit, be invested in Government of India 4% securities when in they can be had at favorable rates

I have the honor to be
Sir
Your most Obedient Servant

E N Mukherjee
Secretary to the
Insurance Committee

Lets

3 (2)

To

The Secretary to the
Mysore State Life Insurance
Committee

No. 2036 / R 2435 D/31-5-6. May 1893 Dt. May 1893.

Serial No. 2.

His letter No. 760 dated 29th March 1893, requesting special orders of Govt. in the matter of allowing interest at Savings Bank rate of Rs. 3 3/4 % on the full amount of balance of the State Insurance fund which amounted to Rs. 17,606-9-1 on the 1st March 1893, and which is above the maximum sum on which interest can be allowed

allowed under the Savings Bank Rules.

—— a ——

In reply, has the honor to state that the Diwan considers it inexpedient to make an exception under the Savings Bank rules and that it is desirable that the State Life Insurance Fund should stand on its own strength without exceptional treatment. Undersigned is further to add that in such matters, the Resolution

of

of the Committee should
be submitted to Govt.

31 May 43

Ch: Secy.

Asbu
31/5-

6

(General Serial No. 30.)

1893 15-3-57

From The Secretary to the Insurance Committee

(3)

To The Chief Secretary to the Government of Ellypore

Dated 26 "

Despatched 27 June

Received

Enclosures No. 9

General No. 952

No. "

Submitting the opinion of the Members of the Committee as regards the investment of the Insurance Fund

Govt. after due consideration of all that has now been put forward are unable to increase the limit ~~can be obtained~~ for State Insurance deposits in Govt. Savings Bank - Nor can Govt. sanction ~~investments in private~~ investment of State Insurance Balances in Private Banks - ~~Rs 5,000~~ the present limit of Savings Bank deposits

The Controller ~~is authorized~~ ex officio Sec. to the State Life Insurance Committee is authorized from time to time to invest any available balance of the Insurance Fund in Govt. of India Securities. The Depart- ~~ment~~ Govt. regret the transfer of Govt. Securities ~~to them~~

Special Paper
Representation Register
Completed

Sub'd with draft Ref. print
+ memo 27/7/93 16/7

CS

Central Jail Press, Bangalore, 14-8-93. 1,000.

Read 28/6

7

There is no reason apprehended that such investments will cause any higher

The Govt cannot increase the limit for ~~Savings Banks~~ ordinary Savings Bank Deposits. nor

But the Comptroller will be requested if he can Open a ~~Special~~ Savings Bank Acct in the Hungry Treasury for the receipt of ~~Savings~~ State Insurance Fund receipts only

There can be no objection to any amt of the State Insurance Fund being deposited in a "Hungry Savings Bank" intended to encourage any such deposits & no others

In fact the acct of such a Bank will merely serve to Exhibit at any time the balance of the Fund waiting investment at Savings Banks rates. The deposits will merge in the general Cash balance & be invested or utilized as the Govt deem fit The arrangement ~~now~~ will practically mean

8 (4)

GOVERNMENT OF MYSORE

OFFICE OF THE SECRETARY TO THE
MYSORE STATE LIFE INSURANCE COMMITTEE.

(3)

No. 952
Encl: 9

Bangalore, 23rd/27 June 1893

From

Serial No. 3

The Secretary to the Mysore,
State Life Insurance Committee,
Bangalore.

To

The Chief Secretary
to the Government of Mysore

SIR,

With reference to your No. 20306/2435 dated 31st May 1893. I have the honor to submit herewith the opinion of the Members of the Committee as regards the investment of the Insurance Fund.

2. Under rule 15 of the State Life Insurance Government sanction is necessary to invest the Fund in the Government Savings Bank or in such other manner as they think fit and I request that early orders may be passed on the point as the major portion of the Fund Viz: ~~Rs~~ 20,023/ at present bears no interest whatever.

3 I beg to invite the special attention

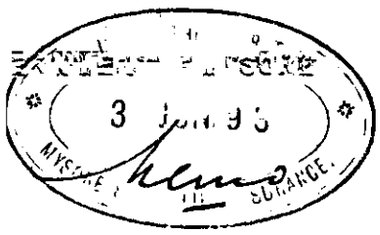
attention of the Government to the opinion of Mr. Rangaswamy Iyengar who originally worked out all the details of the Scheme

I have the honor to be
Sir,
Your most obedient servant
E. N. Mootham
Secretary to the
Insurance Committee

Memo No 396/2

Recd 6th June 1893

Balance on 30th Apl £2,255.4.10



Chief Secretary's No. 20306/2435 dy 31st May 1893.

Circulated to the members for favor of opinion

E V Borrett
Secretary P. C.

3d June 1893

I wished to be free for any special question.—

Cannot we invest our money in Abthnt of Cs who give 4 per cent on current deposits minus ½ per cent every withdrawal of a deposit—but we can get clean 3 per cent & when convenient we can invest in 4 per cents

3/6/93

yes. This may be done. Under Rule 15 we must obtain Govt sanction if we invest elsewhere than in Govt Savings Banks.

Enc

5. 6. 93

I approve of Mr Chentsal Rao's suggestion but if Binny & Co will give the same terms as to No I would suggest that the sum might be divided between the two firms which is substantially for the purpose of keeping the Railway Debenture

7.6.93 / Initd over Wm Jepson.

I am of opinion that no time should be lost in investing the money in Govt 4 per cent papers. I believe that the present time is favorable for such investment

10/6/93. Mackett

* Comptroller's letter dt 7-10-1893 with Govt sanction

* papers

The Insurance Rules have not been enacted. When the tables of these bonus were calculated 3½ p.c compound rate was adopted, the same on which the Govt of India fixed for the postal life assurance. I think the rules were drafted provided for the investment of the balance at the credit of the Fund at the end of each month in the S.B. deposits. There was no necessity for a special sanction of Govt. The Secy probably was thought the rule was guide of which case he would have done well to have consulted the committee before making the report. and I am inclined to believe that the Govt would not have withheld the sanction if the facts had been fully explained. Since the Govt have sanctioned the Bonus with annual, it is a matter of indifference whether the rate is reduced or not though it is very desirable to ascertain the success or the reverse of the undertaking. We cannot compete with the savings in any private company with profits without special sanction of Govt and even if it be granted, shall

~~be a discouragement to the~~
be a ~~undesirable~~ inconvenient & affect the popularity of the scheme. Investment of small balances is always expensive & time & ~~into~~ it to look in the quotations since the tellers assumed a ~~spl~~ ~~into~~ ~~into~~ attitude alarming & delays & interrupts the calculations will be ~~upset~~. disturbed

I would therefore recommend a fresh ~~with a full~~ ~~ref~~ stating all the facts & the recommendation of fresh

Sagrell.
Stockholm Enskilda Bk.
27/6/93

A Ramsay
14-6.

I am not for investing the balance in any of the Private Companies. a fresh reference may be made to ~~SoC~~ as suggested by Mr Ramsay
20-6-93 Elmsley & Scott

I D. Rejkes 57

(General Serial No. 30.)

1892-93.

13

Cranlade

Enq

3/6/93

From

The Chief Secretary to the Dewan of Mysore.

To The Secretary to the Mysore State Life Insurance Committee

Dated 31st May 1893.

Despatched 2nd June 93

Received

OFFICE OF THE SECRETARY
2 JUN 93
MYSORE STATE LIFE INSURANCE

Enclosures No.

General No. 2030 6
R No. 2435

Put with all papers & Reference

Reminder to Govt

Enq

20/6

His letter No 766 dated 29th March 1893, requesting special orders of Government in the matter of allowing interest at Savings Bank rate of Rs 3¾% on the full amount of balance of the State Insurance fund, which amounted to Rs 17,606-9-1 on the 1st March 1893, and which is above the maximum sum on which interest can be allowed under the Savings Bank Rules.

In

14 In reply, has the
honor to state that the de-
-partment considers it inex-
-pedient to make an ex-
-ception under the Savings
Bank Rules, and that it
is desirable that the State
Life Insurance Fund should
stand on its own strength
without exceptional treat-
-ment Undersigned is fur-
-ther to add that in such
matters the Resolution
of the Committee should be
submitted to Government

"By order

Mr Narain Das

For Chief Secretary

compd. BS

copies.

(General Serial No. 30.)

15

1893

From The Secretary to the
Insurance Committee

To (4) The Chief Secretary to the
Government of Mysore.

Dated 29"

Despatched 30 March

Received

Enclosures No.

General No. 760
No.

Sir,

I have the honor to
request that you will be s
good as to obtain special
orders of Government for
allowing interest at Savi
Bank rate of ~~Rs~~ 3¾ per
Cent on the full amoun
of balance of the State
Insurance Fund which
amounted to ~~Rs~~ 17,606-9-
on the 1st March 1893
As under the Savings
Bank Rules, interest is
allowed only on the max
mum deposit of ~~Rs~~ 5000
Special sanction is ...

Central Jail Press, Bangalore.—14-1-93.—1,002.

for charging interest on the balance exceeding that sum and it is therefore applied for

The balance at credit may, if the Government deem fit be invested in Government of India 4 % Securities when they can be had at favorable rates

I have the honor to be
Sir
Your most obedient servant
"Signed" E. R. Subroyan
Secretary to the
Insurance Committee

"Copy"

WL

COMPTROLLER'S NOTE.

With reference to the Docket accompanying the Notes of the Dewan on a scheme of Compulsory Insurance applicable to servants of the Mysore State, I have ascertained that it is not possible to obtain from the private Insurance Companies information of the data on which their business is managed. The published prospectuses only give some of the rates of premium and annuities charged and the rules and conditions as far as they affect the assured. I have however written for some publications on the subject. In the meantime the following facts and suggestions may give some information of the lines on which the proposed scheme should proceed.

2. The soundness of any scheme of Insurance must depend chiefly on the accuracy of its life-tables as applicable to the class of people who will insure their lives. In England it was only towards the end of the last century that a few such tables were constructed. They however differed from one another as regards the death-rates at different ages and were far from being quite satisfactory. The various Insurance Companies adopted one or other of them after making some modifications and safeguarding against loss by providing for a large margin of profit, &c. These tables have been corrected and improved upon by the light of subsequent experience, so that for English lives living in England the life statistics may be said to be very accurate. In India no such statistics have been compiled and published. The English Insurance Companies which extended their business to India enhanced their premiums by a rough guess in the first instance and have gradually revised and reduced them according to their experience. These Companies insured only European lives when they commenced business but some have come forward latterly to accept risks on Native lives but on enhanced premiums. It is only the Oriental Life Assurance Company, Bombay, that started business on the principle that in India select Native lives were as good as English lives and adopted the same rates of premium for both. Since then some high class English Companies have cheapened their rates for natives which are however still dearer than those adopted for Englishmen living in India. It is not possible however to obtain from these Companies information as to their tables of mortality or the interest which they have assumed for their investments in calculating their premiums.

3. Last year I applied to the Comptroller General of Post Offices for the data on which the Postal Insurance scheme was based and he was good enough to place at my disposal the table of mortality which was adopted and the mathematical tables by which the rates of premium could be worked out. He also stated in his letter that no good statistics of Indian lives were available and that the Post Office tables were constructed on the latest available statistics 1837–72, which were obtained from Uncovenanted Service Family Pension Fund, Bengal. The rate of interest adopted is 3½ per cent and is calculated on the Savings Bank principle *i.e.* it is allowed on the lowest daily balance remaining from the fourth to the end of each month after making all payments. He also said that no allowance had been made for establishment charges at present, but that such charges would be added if the business extend and additional establishment at the Central Office were found necessary. Beyond the small margin of profit arising from the difference in interest on the investments at 3½ per cent and the now prevailing rate of 4 per cent on Government securities, no safeguard against loss has been provided.

4. I enclose a copy of the life statistics used in Postal Life Insurance and of rates of premium adopted (Enclosures Nos. 1 and 2). It will be observed from a comparison of the rates of single premium charged by the Oriental and Postal Insurance that the premiums charged by the former are much cheaper than those of the latter throughout, *i e.* from age 21 to 55. On the other hand the former is dearer as regads "whole term premium" than the latter the difference at age 21 being as much as 25 per cent. The disparity gradually grows smaller till age 41, when the two are nearly equal. The Postal then grows dearer and dearer till at age 50, the difference is nearly as great in favor of it as it was against it at 21. I am inclined to believe that the Oriental is more liberal as regards single premium, as it has no trouble of collection, payment of commission, &c., whereas the Postal does not make any charge for these and adopts the same calculation throughout. In the "whole term," the Oriental is dearer, probably because its rate of interest is 3 per cent as against 3½ per cent of the Postal scheme. We may, I think, accept the latter, though it is much more advantageous than those of any Company doing business in India. But if it is considered desirable to adopt safer rates, we may take the average of the rates of the Postal and Oriental. Even then the rates of the former would be found cheaper and the security more statisfactory than in the case of the

Oriental, up to 40 years of age and the disparity, after that, will be greatly reduced. It must however be remarked that these life tables are the averages arrived at on a calculation of a large number of instances and could be expected to be safe in practice only when they are applied in the case of a large number of lives. The Postal and Telegraph Departments consist of a very large number of employés, the majority of whom are on small pay the risks of loss from individual lives being very small (see enclosure No. 3 containing a short statement of the Postal employés and of the Insurance policies in force on 31st March 1887). Besides policies of insurance, bonds for annuities are issued by the Postal scheme, and any loss resulting from inaccuracies in the life tables in Life Insurance branch may be expected to be counterbalanced by the advantage arising from the same mistake in the Annuity Department. But so far few pensions have been granted and little advantage may be expected practically from this dual system. Our scheme, at least as at present framed, will embrace only a limited number of men who are in receipt of comparatively larger salaries, (see Enclosure No. 4). The bonus secured would be large in proportion and the risks of error in the table would be great. It may however be argued that as we shall provide for payments at 55 and as statistics of Indian lives may perhaps be found to be at fault as respects persons of advanced years, the risks are likely to be greatly minimized. I would however recommend that officials drawing Rs. 20 also may be included in our present scheme, as we shall then have about 1,000 more men in our Insurance books.

5. In the Dewan's scheme it is proposed to deduct ten per cent of salary. While perhaps this percentage may be necessary to secure a decent bonus in cases of men on small pay, it is feared that as regards men on higher salaries the deduction might be felt as a hardship, especially as they may have other ways of providing for their families.

6. Moreover, as I have already suggested, in the limited scope of our scheme, risks of error in life-tables are likely to affect its success. If the *bouns* insured should be for very large amounts in the case of only a small number of lives, any untoward casualty will cripple the fund seriously and retard the cause of insurance itself. It would be desirable therefore to fix a limit for the bonus, and regulate the deduction of pay accordingly. In the correspondence which took place on a reference by the Government of India about a State Insu

18

rance, opinions as to the maximum amount of insurance, varied very widely from five to fifty thousand rupees. For the present the amount of bonus payable may be limited to about 30 or 40 times the monthly salary within a maximum of fifteen thousand rupees and the percentage of premium fixed accordingly. The Postal tables do not furnish any information as to the amount of insurance payable at 55 years of age for a given premium. I have however constructed a table showing the bonus payable at 55, to a man making a monthly payment of one rupee from age 21 and upwards up to age 50. I have sent this table for verification by the Comptroller General of Post Offices to avoid all chances of error as the calculation is somewhat complicated (see Exhibit A). The surrender values and the reduced bonus payable under para 2 (*b*) and (*c*) of Dewan's Notes may also be similarly calculated. The work will take sometime and I shall have it done as soon as the general principles of the scheme are approved of by the Dewan. The amount payable for the above premium according to the rates of the Oriental Life Assurance Company is given in the margin of Statement A for comparison. It will be seen that for age 21 the bonus according to the Postal Life table is much greater than that payable according to the rates of the Oriental and that the amounts gradually approach till they are about equal at age 40. After that the Oriental is somewhat more favorable. This is what was observed in the whole term rates, *vide* para 4. As suggested in that para, if the rates are considered too liberal, the mean of the two rates may be taken. The rates of some other insurance companies for the same amount of insurance payable at 55 or before in case of death is also appended for comparison (*Vide* Enclosure No. 5).

7. As a further safeguard, we may also provide that only a portion (half or three-fourths) of the bonus assured should be paid in case of death within the first three or five years after insurance. In the case of such small service men, the obligations of the Government are not great and the restriction may well be imposed, as even a portion, say half the amount assured, will be much in excess of the total premium paid.

8. In the calculation of the bonus which may be payable at age 55 on account of a given payment of one rupee per month, we get in most cases odd sums and fractions of a rupee. It will perhaps be better to adopt a sliding scale for each age, making the bonus payable into round numbers omitting sums less than Rs. 2—8—0 and count-

ing all sums above Rs. 2—8—0 as 5 Rs. Thus calculated, for example, the bonus, according to table A, at 21, 22, 23 and 24 will be Rs. 480, 460, 440 and 420 and that at 26, 27 and 28, Rs. 380, 365 and 345 respectively. And it may be provided also that the amount to be deducted on account of premium shall be multiples of 8 annas not exceeding a fixed percentage of salary.

9. The scheme further provides for increasing the amount insured as the pay of the official is raised. This should be treated as an additional insurance in order that there may be no confusion in the accounts, the amount of premium for the new insurance being the difference between the percentage on the new salary and the amount already being paid, subject to the provision that it should be a multiple of 8 annas and the bonus shall be the amount payable for the additional premium according to the table. Such fresh insurance should be prohibited when the amount of the additional bonus or the additional premium available does not exceed certain fixed sums.

10. I would also make the following suggestions for the working of this scheme :—

11. The premiums realized after deducting all necessary payments should be carried to a separate account entitled the "State Insurance Fund" and interest at Savings Bank rates allowed on the minimum balance of the fund from the 4th to end of the month.

12. The accounts relating to this branch should be audited by one or two competent officers belonging to the Comptroller's or Public Works Examiner's Office to be selected in each year by Government.

13. A competent actuary in England or India should be engaged by Government as consulting actuary. The registers of the insured with information as to age, &c., of each life assured in the Fund and a statement showing particulars of the State Insurance Fund should be submitted to him every second or third year for examination and report on the condition and prospects of the State Insurance Fund. By this means the Government will be able to secure thoroughly reliable information as to the safety of the undertaking and enable it to revise the premiums, the conditions of Insurance and other matters.

14. A Board of Directors may be constituted composed of the Chief Secretary to the Government, Senior Surgeon, Chief or Assistant Secretary in the Public Works Department, Examiner, Public Works Ac-

counts and the Comptroller. The last may be made the Managing Director so as to be able to carry on the work in his Department subject to the general control of the Board.

15. The Deputy Commissioners in the Treasury Department should be constituted as the Agents of the Board in their respective Districts, the current work being attended to by the Treasury Assistants in the Treasury Branch of the Deputy Commissioner's office.

16. As regards the application for insurance and medical examination of applicants, it may be provided that the applicant may be directed to fill up, under his signature, a form of personal statement to be prescribed, which might be sent by the applicant's immediate superior to the Government Medical officer at the Head-quarters of the District and the applicant directed to present himself before him. The Medical officer might then examine the man and send his report under seal to the Board of Directors at Bangalore, the personal statement alone being returned to the applicant's immediate superior with an endorsement that the medical examination was duly conducted. The superior officer may then be forward it with his own opinion in a confidential sealed note to the District Treasury Officer who will then submit the same with his own remarks regarding the applicant. In case of officials drawing more than a certain salary, it may be provided that the Deputy Commissioner should personally report on their lives, a set of questions being printed, if considered desirable.

17. The Board may be required to examine the papers of each applicant in a Committee meeting, at which the Senior Surgeon or, during his absence, his Senior Assistant may be required to be invariably present. The decision of the Board may then be communicated through the Treasury Officer of the District and the Heads of Departments to applicant concerned. The Government should decide once for all whether in case of an official's life being considered risky the insurance alone might be refused or whether his entertainment in the Government service should be forbidden.

18. In certain cases the Board may resolve to add a few years to a man's declared age on account of the Medical Report not being quite satisfactory and the question will then arise whether the official concerned can refuse to insure his life.

19. It would be found very hard to insist on the rejection of a man for the Government service in case his life is not approved of for insurance. The question will be still more complicated in cases of second and subsequent insurance of the same life in consequence of increase of salary. It will not be difficult to adduce cases where officials who were passed as sound lives, are subsequently found ineligible for insurance purposes and are yet fit for work. It would be obviously impossible to send them out of the Government service nor would it seem to be safe to incur fresh risks on their lives. If the non-entertainment or removal from service in case of second and subsequent insurance be insisted upon, the medical and other reports are likely to become one-sided or perfunctory in view of the serious results of a rigid examination. For this reason it will be better, at least for some years, to allow the entertainment in the Government service providing only that the individual should be admitted to the insurance scheme on the condition that he shall not be entitled to the bonus if he should die or be invalided within a given time, say ten years.

20. The premium will be collected and credited in the Taluk and District Treasuries by the Amildars and Treasury officers and payments will be made on audited bills or payment orders issued by the Comptroller as Managing Director.

21. The Registers required to be kept and the statements to be submitted by the Treasury officers will be prescribed in due course.

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22. The rules for the guidance of the assured and of the Board of Management and their Agents including forms of Medical Report, personal statement, &c., as well as the schedules of premiums and sums for which assurances may be allowed can be drawn up by a small Committee after the principles of the scheme are finally settled.

BANGALORE, 7TH Nov. 1889. } A. RANGASWAMAIENGAR, *Comptroller.*

Calculation of the amount payable at 55 or death in consideration of a monthly payment of one Rupee up to the age of 55.

Present age.	Value of a monthly payment of one rupee up to 55 $\frac{N_x - N_{55}}{D_x}$		Value of amount payable at 55 or death $\frac{M_x - M_{55} + D_{55}}{D_x}$		Amount payable at 55 or death in consideration of a monthly payment of one rupee. $\frac{N_x - N_{55}}{M_x - M_{55} + D_{55}}$	
	Amount.	Logarithm.	Number.	Logarithm.	Logarithm.	Number.
21	202·69	2·3068	·4215	—1·6248	2·6820	480·84
22	198·828	·2984	·4325	·6360	·6625	459·76
23	194·95	·2899	·4439	·6473	·6426	439·15
24	191·11	·2812	·4554	·6584	·6228	419·59
25	187·00	·2718	·4671	·6694	·6023	400·32
26	182·80	·2619	·4791	·6804	·5815	381·55
27	178·50	·2516	·4910	·6910	·5605	363·58
28	174·30	.2412	·5034	·7019	·5393	346·25
29	169·80	·2299	·5161	·7127	·5172	329·01
30	165·50	·2187	·5288	·7233	·4954	312·95
31	161·80	·2089	·5417	·7338	·4751	298·66
32	157·40	·1970	·5547	·7441	·4529	283·73
33	152·90	·1844	·5680	·7543	·4300	269·16
34	148·20	·1708	·5813	·7644	·4064	254·92
35	143·30	·1562	·5946	·7742	·3820	241·00
36	138·50	·1414	·6086	·7843	·3571	227·57
37	133·50	·1254	·6227	·7943	·3311	214·38
38	128·40	·1085	·6374	·8044	·3041	201·42
39	123·10	·0902	·6528	·8148	·2754	188·55
40	117·60	·0704	·6683	·8250	·2454	175·96
41	112·10	·0496	·6856	·8360	·2136	163·54
42	106·30	·0265	·7028	·8468	·1797	151·26
43	100·10	·0004	·7205	·8576	·1428	138·94
44	93·70	1·9717	·7392	·8687	·1029	126·77
45	87·20	·9405	·7585	·8799	·0606	114·98
46	80·80	·9074	·7786	·8913	·0161	103·78
47	73·90	·8686	·7994	·9027	·9659	92·44
48	66·70	·8241	·8212	·9144	·9097	81·22
49	58·80	·7693	·8443	·9265	·8428	69·63
50	50·50	·7032	·8686	·9388	·7644	58·13

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GOVERNMENT OF MYSORE

Read - (4) 93

Correspondence ending with letter No 952, dated 27th June 1893, from the Secretary to the Mysore State Life Insurance Committee, regarding the investment of the State Life Insurance Fund.

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Order.

The "State Life Insurance Fund" is totally different from other funds in the charge of the Government, because the amount for the time being at its credit does not limit the liabilities of the State in respect of Insurance Policies issued by it. The Fund in question in fact only serves to show to the Government from time to time, how much it has received and

and paid on account of the State Life Insurance system and the balance to its credit allowing a fair rate of interest. There is therefore nothing gained by enhancing the limit for deposits in the ordinary Savings Bank in favor of deposits of the State Life Insurance Fund. In fact, no such deposits are required. The better plan will be for the Comptroller & Ex-officio Secretary to the State Life Insurance Committee, to maintain an account of the Fund separately in the same form and with same rate of interest as for Savings Banks, calculating however, the monthly interest on the balance

On

on the 1st of each month - All payments on account of Insurance should of course appear in this account, and the balance shown in this account will always give a correct knowledge of the amount received as premia, with interest thereon at a fair rate, (though no interest has been received by separate investments,) minus the payments made as Bonuses. This system is sufficient for all purposes, as the premia received merge in the general cash balance of the State, wherefrom all Bonuses are paid as they fall due. Effect may be given to this order from the Commencement of Operations

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Chief Secy

To.
The Comptroller to
Mysore Govt:
& Ex officio Secy to the
Mysore State Life Insurance
Committee